The Silver Bill.

SPEECH

OF

HON. RICHARD P. BLAND,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, July 12, 1890.

The House having under consideration the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 5381) directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes—

Mr. BLAND said:

Mr. SPEAKER: I do not know that I can begin better than to answer the gentleman who has just taken his seat. I concur in his statement, when he hopes the next House of Representatives will be a free coinage House; but I want to remind my friend that if it is so it must come from those who advocate free coinage and stand by their colors. It will not come from the advocacy of the gentleman from Iowa [Mr. CONGER] who has during this whole session opposed free coinage, and the gentleman from Michigan [Mr. CUTCHEON], and the Republican party in its organization, in this House by gag rule, unprecedented maneuvers, and caucuses, have fought down and stifled free coinage in this House. It will not come from your party, but for my part I say, in God's name let it come from your party or any other, but if it comes at all it will come from that party on account of the efforts of men here who have stood firm to the flag of free coinage, and not surrendered at the beck of Wall street and the gold bugs.

Now, Mr. Speaker, the gentleman from Iowa says this bill is the result of a free and fair conference. I deny it. We had but one meeting of the conference committee in which all the conferees were represented. That was the meeting appointed for last Thursday. We were to have another meeting of these conferees, but before the date of that meeting arrived I was notified that my presence was no longer needed, and that when my services were required I would be notified. In the mean time secret meetings or caucuses were held by the Republican members of that conference, and this bill was concocted and prepared by them; and I never received a notice to attend another meeting of this conference until this bill was agreed to and the report ready to be signed; and I was simply asked whether I agreed to it or not. That is all I had to do with the conference. Is that a free, a full, and a fair conference?

Mr. CONGER. Will my friend permit me to ask him a question?

Mr. BLAND. Yes.

Mr. CONGER. Were you not offered full opportunity to discuss that matter?

Mr. BLAND. Not at all. We met there and did not spend more than twenty-five or thirty minutes in conference, and there was no proposition made or discussion had, and no bill was formulated in any way.

Mr. CONGER. Did you propose anything? Did you make any suggestions?

Mr. BLAND. I could not. We had a meeting on Thursday and adjourned over to meet again on the following Saturday. I received a note from the gentleman from Iowa that we would not have a meeting on that day.

Mr. CONGER. Will the gentleman answer another question?

Mr. BLAND. But the Republican members of the conference committee organized themselves into a caucus, and the gentleman will not deny that they concocted this bill, and that I was not present.

Mr. CONGER. Well, you do not object, because I notified you that the meeting had been declared off, and that I did not desire you to come there when there was to be no meeting.

Mr. BLAND. As I said before, I did not want to attend a Republican caucus.

Mr. CONGER. And you did not want to sign a Republican report.

Mr. BLAND. I hope, Mr. Speaker, that I will not be interrupted. I will take pleasure in answering any question suggested to me if I make any misstatements, but I want to discuss this measure.

Now, Mr. Speaker, let us for a moment examine this bill in regard to the great principle involved on the subjects of free coinage and bimetallism. This is the question here. The question is, how far does this bill depart from the principles of bimetallism and free coinage? In the first place, Mr. Speaker, the principles of bimetallism, as plainly stated and understood to me, are that the two metals shall be coined into money at a fixed ratio. I will come to that part of the bill in a moment that declares that it is the policy of this Government to keep the two metals at par.

Now, Albert Gallatin discussed this question of the parity of the metals—and he was one of the greatest financiers this country ever produced—and when he alluded to the difficulty of keeping them at a parity he advanced the true theory of bimetallism when he said that the best system of coinage rests upon both metals and the free coinage of both, and if one metal went above the other, debtors would have the benefit of paying in the cheaper metal, which now is silver. I refer to his financial report in 1829; and he alluded to the fact that at that time gold was above silver. That is to say that bimetallism means the use of both gold and silver at a fixed ratio, and if either goes up from extraordinary demands, raising the price of one metal above the other, the cheaper metal would be used, and was the most equitable standard of payments if it had not lost its purchasing power as compared to commodities.

Now, I say, Mr. Speaker, that it is a false statement that it has ever been the practice of this Government to keep the two metals at a parity. I deny that we have ever had the two metals at a parity in any true sense up to 1834. When the ratio between gold and silver was changed we were practically on a silver basis, because silver was the cheaper metal. The ratio was then changed and gold was made the cheaper metal, and we came to the gold standard, practically. Why? Because silver was worth more as bullion than as coin at our mints, worth more at the European ratio, and it went there, and we used gold when it was from 3 to 6 cents below par of silver. I say the financial history of this country is that we never have coined the two metals at an absolute par, and now this bill undertakes to incorporate into a statute the false doctrines of the Secretary of the Treasury and the gold men that we should not use silver or pay it out unless at par with gold, a thing which the bimetallists of this country have contended against from the beginning, a proposition that I have never assented to and that no bimetallist, so far as I know, has ever assented to. Rulings and constructions of the Secretary of the Treasury are ingrafted into this bill to fix us on the gold basis and the gold standard.

And this is the result of the tyranny of party caucuses in this House. From the beginning we have appealed to you gentlemen on the other side of the House to stop your party caucuses and bring measures in here and permit them to be discussed in the regular way, with freedom of debate and freedom to offer amendments, in order that we might secure a fair bill. But when this bill passed the House the Speaker, sitting in his chair, absolutely refused to recognize any gentleman on either side of the House to offer a free-coinage amendment. Under that gag rule the bill was passed through this House, and when it went to a committee of conference the Democratic members of that committee, both of whom were in favor of free coinage, were ignored in the preparation of this conference bill. This measure comes to us now, the gentleman from Iowa tells us, as a Republican measure, agreed to in caucus by the Republican party, and he claims that that party is the father of our financial system and of all our financial measures. So be it, Mr. Speaker. This is in harmony with the rest of them. How was silver demonetized in 1873? It was demonetized by a conference committee, where men met in secret caucus and concocted a measure for the demonetization of silver which passed both Houses, and now again to-day, by a party caucus, you propose to stifle fair debate as you have already stifled an opportunity to get a fair bill before the Senate and the House upon this silver question. Well, if the gentleman from Iowa claims that the Republican party is responsible for all the financial policies of this Government since that party has been in power, let him answer how it was that in 1873, by a dark-lantern caucus of that party, silver was demonetized, and how it is now that by that same means you propose practically to demonetize it again?

Mr. Speaker, let us examine this bill for a moment. It provides:

That the Secretary of the Treasury is hereby directed to purchase from time to time silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered, in each month, at the market price thereof, not exceeding, etc.

It is a singular fact, Mr. Speaker, that there is no bill that can be agreed to as a party measure upon the silver question that has not a tang to it. This bill reads all right until you come to that part of it which says: "So much thereof as may be offered in each month at the market price thereof." Why, the pill that we are to swallow is like a sugar-coated quinine pill. On the first reading it means that the Secretary of the Treasury is to purchase $4,500,000 ounces of silver bullion per month, but when we come to ruminate it, when we roll it around in our mouths a few times, we begin to taste the bitter tang which is found in these words: "or so much thereof as may be offered in each month at the market price thereof.

Mr. MORROW. Do you find also the stimulating quality of the quinine pill? [Laughter.]

Mr. BLAND. I will come to that in a moment. That is the difficulty. It will stimulate you for a while and then lay you out as flat as any man that ever got drunk over night and woke up in the morning with a sick headache. [Laughter.]

Mr. MORROW. This is quinine, not whisky.

Mr. BLAND. I am indebted to the gentleman from Iowa [Mr. CONGER] for his frankness, because he does not differ with me in his construction of this clause. He admits that it is put there for a purpose and that that purpose is identical with the purpose which appeared in the original Windom bill. This provision was that the Secretary should purchase silver bullion from month to month at its market price, to be fixed by the Secretary of the Treasury with the right on his part to suspend purchase when in his opinion there was a "corner" on silver. That has been stricken out. It was too plain. Nobody could be deceived by a plain honest proposition of that sort. Nobody could be deceived by it and there could be no difference of opinion about it. While the gold party could stand upon it, the silver party could not do so without exposing themselves to public reprobation and contempt. So, instead of that, we have this quiet, stealthy provision engrafted upon this bill which has the same force and effect, which provides that whenever the Secretary of the Treasury believes that the market is being over-stimulated by speculators, he may declare that he can not receive any more bullion because he can not purchase it at its market price. The gentleman from Iowa [Mr. CONGER] admits that construction and the provision does not admit of any other construction, so that practically the amount of money that is to go into circulation under this bill, or the amount of bullion that is to be purchased, is to be at the discretion of the Secretary of the Treasury, and when the gentleman from Iowa says that fifty, or sixty, or seventy millions will go into circulation, he omits to say that it all depends upon whether or not the Secretary of the Treasury in his construction of the law will permit that money to go into circulation or not. The interpretation of the law is left open for the purpose of regulating the amount of silver that may be purchased from month to month.

But my friend from California [Mr. MORROW] wants to know how about the stimulus. Now, Mr. Speaker, as this is claimed to be a Republican measure, I think I can state about what the stimulus will be. I want to make a prophecy. They say that prophets are honored in all countries save their own. I do not know whether this prophecy will be verified or not, but I want to make it now and the future will determine. These purchases will go on as the silver men want them to go on, and claim they ought to go on, until after the next Presidential election; for I do not think any party in power could stand against public sentiment and refuse to execute this law in the spirit in which it ought to be executed—first, for the purpose of getting more money into circulation in accordance with the popular demand, and secondly, to prevent any uprising of the friends of silver in this country to denounce the administration in the execution of the law, while the necessities of the Presidential election are being tided over. But when that election has passed and the next President of the United States has been chosen, whether he be Democratic or Republican, or whatever he may be, if he is a "gold-bug" you will find that the purchases will be made to suit Wall street and nobody else. Now mark that prediction.

I want to say to my friends on the other side of the House, you have abandoned the true friends of silver; you have abandoned those who have stood by the free-coinage policy; you have made friends with Wall street and the gold advocates; you have compromised so as to get their votes, ignoring ours. You have gone to Wall street to concoct a bill to suit the advocates of the gold standard and you have brought them to your support because they know this is a gold bill. You have forsaken and left in the lurch the gentlemen on this side of the House constituting the vast majority in favor of free coinage. You have left the people of the country also in the lurch, those who are demanding something looking towards free coinage, something in the interests of the remonetization of silver.

Now, the gentleman from Iowa [Mr. CONGER], in alluding to the last section of this bill which provides for paying out the money now held for the redemption of bank notes—about $65,000,000 or $70,000,000 of lawful money now deposited in the Treasury—said that this would have the effect of increasing the currency. It will for a while; but that is another one of those false stimulants. That lawful money is held there for what purpose? To redeem the notes of national banks that have gone out of existence or are now going out of existence. Those notes are now in circulation—some $65,000,000 or $75,000,000—corresponding with the amount which will be put in circulation by this bill. Now these notes are constantly coming into the Treasury and being redeemed, canceled and destroyed; and by the measure proposed you do not gain one dollar in circulation except for a short time. You do immediately, I suppose, to meet the exigencies of the Treasury; for you will have a deficit. By reason of the high protective tariff, and your enormous appropriations for pensions and other matters of that kind, there will be a deficiency in the Treasury; and that deficiency must be met in some way. That is the idea of ingrafting this feature upon this bill—to meet that deficiency, to get that money into circulation. But when the bank notes come back and are canceled, there is a contraction of the currency equal to the amount you have put in circulation.

I do not myself object to this feature of the bill; but I say there is that difficulty about it—whatever good it may do it will result finally in a contraction of the currency to the amount that is put in circulation, because that fund is there to redeem bank notes outstanding; and when the bank notes come in the contraction commences, and as fast as they come in the currency is contracted.

Now, my friends, had you desired to consult the interests of the people of this country, the great mass of the people, on this subject, you would have made a different provision from that. You would not only have provided, as this bill does, that this lawful money should be covered into the Treasury, but you would have provided further that when a national-bank note comes in for cancellation a new greenback should issue in its place; and these Treasury notes or greenbacks would take the place of national-bank notes and you would have no contraction at all. But you have not done that. The interests of the masses of the people have not been consulted. Wall street, Wall street alone, has been consulted.

Now I want to call attention to a peculiarity of this bill in regard to the redemption of these notes. The second section provides in reference to this subject—

> That the Treasury notes issued in accordance with the provisions of this act shall be redeemable on demand in coin at the Treasury of the United States or at the office of any assistant treasurer of the United States; and when so redeemed may be reissued.

Now here is one redemption provided for; why do you want two? Where was the necessity for providing another redemption of these notes, and a different one? That is all right. No one can object to that. When it is presented for redemption they shall be redeemed in coin, and that is enough. But when you go a little further you find a very different sort of redemption for the same note, having a very different purpose. When you come to another portion of the same section you find:

That upon demand of the holder of any of the Treasury notes herein provided for, the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin, at his discretion, it being the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio or such ratio as may be provided by law.

Now, I ask, why was that necessary? In the beginning of the section it is provided that the notes shall be redeemed in coin. There was no necessity for going a step further. But there was an ulterior purpose in going a step further, a hidden purpose so far as this bill, I may say, discloses, when you give it careful consideration in reference and in relation to the construction the Secretary of the Treasury has heretofore placed upon the provisions of the law now in existence in his dealings with silver.

But I want to take this section in its regular order and call your attention to it. It goes on to provide:

But no greater or less amounts of such notes shall be outstanding at any time than the cost of the silver bullion, and the standard silver dollars coined therefrom, then held in the Treasury purchased by such notes, and such Treasury notes shall be a legal tender, etc.

Now, before coming to this redemption provision again let me allude to this: Here is the "fine Italian hand" of Wall street so plain that I do not see how any man can misapprehend its meaning. Under our present law, the law of 1878, the Secretary of the Treasury is compelled to purchase not less than $2,000,000 worth of silver bullion per month and not over $4,000,000 worth, and to coin it into standard silver dollars on which the silver certificates are issued. There is no discretion vested in him at all except as between the limits of purchase, namely, between $2,000,000 and $4,000,000 worth. There are no such words as "so much as may be offered" under that law at all. It is absolutely mandatory upon him that he shall purchase not less than the amount specified, and not more than the maximum amount fixed in the bill, and coin it into standard dollars.

Now I say here is fixed a legal ratio of 16 to 1. The bullion is purchased of course at the market rate, but the money is issued at the coin rate. The dollar is coined at the ratio of 16 to 1, and the silver certificate is issued on the dollar; so that you keep up the ratio of your coinage at 16 to 1 in the issuing of the money that may be coined under the existing law. But under this bill you issue according to the gold value of the bullion and not the coinage value of the bullion; and the claim that you thus keep the two metals at par with the present ratio, or some future ratio to be fixed by law, is a self-stultifying assertion. You do not issue the money at the ratio of 16 to 1, but you issue it by what may be and will be a varying ratio; and you declare that the notes outstanding shall not exceed the gold value of the bullion; in other words, that the amounts outstanding shall be no greater and no less. Now, gold value of course will fix the ratio, and that is not 16 to 1 by any means, but is about 20 to 1. You have thus changed the ratio in the interest of Wall street, and the gold standard from 16 to 1 to 20 to 1 under this bill, or whatever the market ratio may be, for it may be 21 to-day and 25 to-morrow, and less or more the next day, as the market price varies. You have departed from the legal ratio; and to tell me that it is the policy of the Government to keep the two metals at par at their legal ratio and yet refuse to issue money on that legal ratio is a dishonest and deceptive declaration; it is an attempt to cover up what the bill proposes to do; is a fraud upon the people; is a departure from bimetallism at the fixed ratio which we have established in this country, and is a direct blow at free coinage of silver in the United States.

Now, Mr. Speaker, had the bill provided that the outstanding notes should not be less than the cost of the bullion, nor exceed its coin value, you would then have kept up the legal ratio; that is to say, the Secretary of the Treasury could have issued the money on the coining value of 16 to 1, which would have kept up the par between them. But you do not do that. You do not intend to do it. Wall street did not propose that you should do it when you went into your Republican caucus and depended upon that way alone of getting a silver bill. You have cheated the people of this country out of at least twelve million of dollars of circulation under the bill according to your own theory. You have given the bullion owner or the silver-mine owner a market for his silver, it is true. The Government buys the bullion from him, but the difference between the coining ratio and the bullion ratio is so much capital piled up in the Treasury at the expense of the people.

Senator SHERMAN, when Secretary of the Treasury, and Secretary Manning, and the Wall street papers of New York have all declared from the beginning, and it has been stated over and over again on the floor of the House, even as late as to-day in the debate, that when you put silver sufficient in the dollar to make up the difference between the coining value of gold and the silver that there is no danger of silver inflation. They are demanding that sufficient silver shall be placed in the dollar; that a dollar's worth of the bullion shall be behind the note issued upon it, and by this ratio or proportion of silver in that way they hope to keep up the gold standard and prevent silver from performing its part of the measure of value.

You have come to their proposition. You have joined the gold standard, and you are now marching under that standard, and when you come back here in the next Congress and say "we want the free coinage of silver"—oh, yes, you want it, but how are you going to get it? Wall street will say to you, "gentlemen, here is the law of the land. You have put yourselves on record by a vote in this House, and passed a law that says you no longer shall issue money on silver at its legal ratio, but on its cost price. You have declared that you will keep the two metals together in this way, by permitting the Secretary of the Treasury to redeem in gold.

The bill says:

> That upon the demand of the holder of any of the Treasury notes herein provided the Secretary of the Treasury shall, under such regulations as he may prescribe—

What sort of regulation? No one knows. It is left at his discretion—

> redeem such notes in gold or silver at his discretion, it being the established policy of the United States to maintain the two metals on a parity with each other, upon the present legal ratio, or such ratio as may be provided by law

That is to say, if you can coin silver free when it reaches a parity with gold under this bill at its present legal ratio, all right, but not before. The established policy is to keep the two metals at a parity at the present ratio, and unless they are at par under the present ratio you have no right, after the passage of this law, to demand the free coinage of silver. That will be the contention of the opponents of free coinage. I shall not be bound by this act, for I will not vote for or subscribe to any such proposition.

Now, my friend from Iowa [Mr. CONGER] says that I may read from the newspapers upon this subject. Mr. Speaker, it takes a good deal of time to read newspapers and the time for debate is too short. I may read a few extracts before I close. The New York Evening Post, the New York Tribune, the organ of the Republican party and of Wall street, they all in editorials construe that clause to mean that the Secretary of the Treasury must use his discretion in keeping the two metals at par, and the Tribune goes as far as to say that he ought not to pay out, and it means that he must not pay out, a silver dollar until the bullion silver is at a par with gold.

Now whenever the Secretary of the Treasury comes to the conclusion, as he has heretofore—Mr. Sherman thought that after he had coined fifty millions of dollars of silver, the coinage of any more was endangering the gold standard and wanted it stopped, and Mr. Folger felt the same way, and so also Mr. Manning. They all refused to pay out silver except when they could do it safely without disturbing the gold standard, and the present Secretary of the Treasury is no exception. In fact, I do not know but he is more hostile in his attitude towards silver than the others. What will he construe this law to mean? He will construe it to mean that whenever a man demands gold for these Treasury notes, that we will go to a single silver standard if he does not pay in gold. That was the theory of Secretary Sherman, and it is the theory of all the gold party—that when you present a note to the Treasury Department and demand gold and the gold is refused, you are on a silver basis. Now, gentlemen, all know that. You understand that. Mr. SHERMAN in the debate the other day stated that, and he stated the same thing as Secretary of the Treasury, and so did Mr. Manning. That is the theory of the gold party, that the moment the Treasury refuses to pay gold on demand for any note of the Government, gold goes to a premium and you are on a silver basis and your paper is depreciated.

That is, when the Government fails to redeem its paper in gold, on demand, the note-holder will be compelled to sell his paper to get gold to meet his demands and sell it at a discount. This would at once put gold at a premium.

Well, how is the Secretary to get the gold? He has one hundred millions of gold, procured under the resumption law, for the redemption of the greenbacks, and the New York Tribune and the Evening Post refer to this law by which he is to keep silver at a parity with gold.

That on and after the 1st day of January, A. D. 1879, the Secretary of the Treasury shall redeem in coin of the United States the legal-tender notes then outstanding.—

Now, these are United States legal-tender notes—

on their presentation for redemption at the office of the assistant treasurer of the United States, in the city of New York, in sums of not less than $50. And to enable the Secretary of the Treasury to provide for the redemption in this act authorized and required he is authorized to use any surplus revenue in the Treasury not otherwise appropriated, and to use, sell, and dispose of, at not less than par, in coin, either of the description of bonds of the United States described in the act of Congress approved July 14, 1870, entitled "An act to refund the national debt," etc.

Five per cent. bonds were sold under that act for the purpose of keeping the Treasury notes of the United States at par, and there is no limitation to it. These are Treasury notes and legal-tender. And whenever it may become necessary to sell those bonds for the purpose of getting coin—and that will be gold coin, because gold coin, when demanded and not on hand, is compelled under the letter of this bill, that says that it is the policy of the Government to keep the two metals at par—he would not only be authorized but commanded to execute the resumption law and sell bonds for the purpose of getting gold to redeem these silver notes. And yet this is called a silver bill.

Now, I have alluded to the coinage provision of this bill which requires the coinage of 2,000,000 of ounces for eleven months. Probably it will be eleven months. The bill takes effect thirty days after it is passed and signed by the President. It may be signed by the 20th of this month, or before. But in July of next year the coinage ceases, so that you will have only about eleven months for the coinage of silver, except at the discretion of the Secretary of the Treasury. There will after that be no coinage of silver, because none will be demanded. The note-holder will demand gold; that is his right by the terms of the bill. The Secretary will be compelled to pay gold, for where gold is demanded and is refused there the Government has failed to redeem its notes as promised, that is at the gold standard. If the Government refuses gold, then according to the theory of the gold-bugs and of this bill our money becomes depreciated to the silver basis.

Now, Mr. Speaker, so far as I am concerned personally I can well see how an advocate of free coinage might agree that it was not necessary to compel the mints to coin 4,500,000 ounces of silver per month. Probably that could not be done without increasing the facilities for coinage; and when we can not get free coinage, if we could get a bill otherwise unobjectionable, that would have provided for the coinage of 2,000,000 ounces, but not for its discontinuance, and not to put it in the discretion of the Secretary of the Treasury, it would be more satisfactory; but there ought to have been absolute coinage of at least $2,000,000 per month of the bullion. The mint ought to have been kept coining this bullion.

I know of no provision in the Constitution of the United States under which we have any legal authority to deal in silver bullion, except for the purposes of coinage; and while we might say that we can not coin all that is purchased, yet the great principle of coinage should have been retained. It should have been compulsory that the mints should be kept constantly coining a portion of this bullion. I find but one provision in the Constitution giving us any authority over gold and silver, and that is to coin it into money, "to regulate the value thereof, and of foreign coin"—not of bullion. It would be better to coin it all, but, as a compromise, we should provide for compulsory coinage equal to $2,000,000 a month. In that way we would draw a distinction between silver bullion as a commodity and for coinage. You are constantly drawing the distinction at the mint when you are coining silver; but when you stop coining and using it only as a commodity the distinction is gone.

Now, Mr. Speaker, the contention that this is the best bill that could be had at the present session of Congress will not answer. It is not the best bill that could be had. The conference committee met, and resolved itself into a party caucus without consulting the conferees on this side of the House. We had no opportunity to amend this bill, and if we had offered an amendment it would have been voted down. This side of the House has had nothing to do with it. I say, if the friends of free coinage would stand to their guns on this floor, refuse to agree to this report, and let us have another conference, we would get another bill. There is no question about it. It may be, gentlemen, you can not get your party in a caucus to agree to it; but we will stand with you on this side. If you will refuse our overtures and refuse our assistance, you must take the responsibility, for it rests on you. You silver men on that side of the House can get a better bill than this if you will vote this down. You do not like it; you know it is not right; but party exigency stands higher with you than that of silver, and then it is you part with us on this question. [Loud applause on the Democratic side.]

Now, Mr. Speaker, I am not mistaken about it. There is another oversight in this bill. These Treasury notes ought to be taxable. We know that the greenbacks are issued in large denominations and are left in the banks in Wall street, New York, and not taxed. When tax day comes round they can not be taxed, because they are not taxable under the law. I do not think we ought to have issued any more money of that sort, and especially in these large denominations that will accommodate the banks in escaping taxation. Now, the law is pretty plain upon that subject. It says:

All stocks, bonds, Treasury notes, and other obligations of the United States shall be exempt from taxation under State or municipal authority. (See Revised Statutes, section 3701.)

That is a statute of the United States, and these notes are denominated Treasury notes in the bill and made a legal tender. They are permitted to be issued in sums of a thousand dollars, so that when they go out to purchase bullion they may be issued in sums of a thousand and locked up in the banks to escape taxation. I think that is an oversight. That is one of the difficulties with these conference reports or caucuses on bills. They are fixed up without due consideration; without due debate and investigation; they are hurried in and hurried through without being properly matured, and the difficulty is that the Treasury notes issued under this bill and thus outstanding under this law are not made taxable by law. I think they ought to be taxed like any other property.

I have a little extract here, Mr. Speaker, that I desire to read, for it reminds me of some other legislation that occurred in these halls. It is an extract from the New York Tribune. As stated awhile ago, whenever you want to ascertain what construction the Secretary of the Treasury will place upon a particular law in regard to gold and silver, and what will be done with it, as a rule heretofore all you had to do was to see what the Wall street papers said he ought to do; and whatever they have heretofore said he ought to do, he has done.

This bill requires the purchase of 4,500,000 ounces of silver, "or so much thereof as may be offered, in each month, at the market price thereof." If there is an attempt to force up the price of silver none may be offered, and in that case none will be purchased for the month. When there is expectation that the price will advance offerings may naturally fall below the limit, and consequently purchases may be curtailed.

Coinage at the rate of $2,000,000 monthly is continued until July 1, 1891, but stopped after that date except in such amounts "as may be necessary to provide for the redemption of the Treasury notes." Continued coinage for another year is foolish, but not important. The provision for free coinage when silver shall have reached par is stricken out, and that is a definite and important gain.

The Treasury notes to be issued for silver bullion will represent its market value and not its coinage value. The provision for their safety is this:

"Upon demand of the holder of any of the Treasury notes herein provided for, the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin, at his discretion, it being the established policy of the United States to maintain the two metals on a parity with each other u on the present legal ratio, or such ratio as may be provided by law."

The latter clause will, at first glance, seem empty and foolish to many, but the Secretary has no power, under this provision, to redeem in silver coin while that coin is not, in market value of bullion contained, "on a parity with" gold, because such redemption would defeat the purpose declared.

If silver should reach par he could redeem in silver coin. Otherwise he must redeem "under such regulations as he may prescribe" in gold coin, and he has ample power under provisions of the redemption act to sell bonds for gold in order to redeem Treasury notes. True, the new notes proposed are not precisely those which the Treasury was authorized to redeem in 1879, but they are of precisely the same legal character, and the redemption of the old legal-tender notes from the bullion fund would at any time give the Secretary authority to purchase more gold for the replenishment of that fund.

The new notes provided are to be a legal tender in payment of all debts, public and private, "except where otherwise stipulated in the contract." This latter clause avoids the obvious impropriety of invalidating or altering private contracts which have been made or may be made on a gold basis. Its result will be a material increase in the number of contracts so made. With that provision the grant of legal-tender quality to the notes proposed is of no practical importance; it will not make the notes worth the thousandth part of a cent more if redemption in gold should at any time fail. But a nation which has paid a thousand millions of debt within ten years can not suffer redemption to fail without crime.

This compromise has been accepted by all the Republican members of the conference, Messrs. SHERMAN, JONES, CONGER, and WALKER. When it has passed both Houses there will be time to discuss certain of its practical results.

The silver Senators who have contended for free coinage have this definite reason for accepting the conference measure without delay; probably none more nearly approaching their views could by any possibility receive the President's approval, and with no action at this session their position would not be enviable.

And they say that he ought to sell bonds to keep these gold notes (for that is what they will be) at par, that he ought to stop the purchase of silver whenever in his opinion there is a disposition to speculate in silver bullion and not to offer it at the market price. Gentlemen who are silver men and who want to excuse themselves for voting for this bill will contend that the Secretary of the Treasury will never exercise this discretion, that it would be an impeachable offense, while on the other hand the gentleman from Iowa and the gold party will contend that the Secretary will execute it, and in that way will justify themselves for voting for this bill.

Mr. Speaker, is it not possible for us to pass a bill upon this great question without this double-headed construction, without leaving to the Secretary of the Treasury the power to purchase or not to purchase, and leaving us without knowledge beforehand of what interpretation will be made of the law? Of course it is impossible to do that if this is to be legislation to subserve party purposes, if this is to be a bill upon which the gold men and the silver men in the Republican party can agree, so that each may give it their own particular construction, one section in the East and another in the West, for the purpose of justifying their votes. This is pretty plain language, but you know it is true.

An article in the New York Evening Post says:

The silver compromise bill will probably pass the Senate to-day. Senator TELLER having declared his intention to vote for it, there is no reason why it should not receive every Republican vote, together with those of the Eastern Democrats. Congressman BLAND is quoted as saying that the bill "puts silver in a worse position than it now is." From the Bland standpoint that is true. This is not the first time that enterprising persons have gone forth to gather wool and come back shorn. Something very similar took place in 1874, when Senators Morton, Logan, and others started out with the inflation bill and ended with the specie-resumption act. From the point of view of BLAND and TELLER, silver is in a worse position than before, but from the standpoint of common sense it is in a much better position, and the country is in a much better position. The silver dollar will be kept at par with the gold dollar under this bill. No such assurance has been given in any previous legislation. Silver ought to be much obliged for this attention.

Well, Mr. Speaker, it does remind me very much of the legislation alluded to in this article. I happened to be a member of Congress at the time when that resumption act was passed. I remember that Senator Morton in the Senate and Senator Logan, stalwart advocates of the interests of the West, insisted on the increase of the legal-tender notes to $400,000,000. There were then about $360,000,000 of those notes in circulation, and they wanted the amount increased to $400,000,000, and a provision requiring that the circulation should be kept at that amount continuously, so as to prevent any further contraction. That bill passed the Senate and came to this House, and was passed here. I voted for it. That was at the first session of the Forty-third Congress. The bill went to President Grant, and he vetoed it.

[Here the hammer fell.]

Mr. BLAND. Mr. Speaker, I have not concluded my remarks, and I ask the indulgence of the House for a few minutes longer.

By unanimous consent, Mr. BLAND was allowed further time.

Mr. BLAND. That bill, I say, provided for fixing the amount of greenbacks to be kept in circulation at $400,000,000, making an increase of about $40,000,000 over the amount then in circulation. It passed both Houses at the first session of the Forty-third Congress, and was vetoed by the President. At the second session of the same Congress that identical Senate and that identical House passed what is know as the resumption law, a part of which I just read, which provided for the contraction of the greenbacks and gave free banking. A Republican House and Senate did this, and thus changed front. Under that law greenbacks were to be contracted down to only $300,000,000. It was a Democratic House and a Democratic Senate that afterwards passed a bill requiring the outstanding greenbacks to continue at $346,000,000, and prohibiting further contraction. So in this Congress we have contended again for the free coinage of silver; we have been here all this session advocating free coinage. We have been resisted by the gold party and those who believed that silver ought to be limited in its coinage and in its use as money, and now our friends have finally come to a compromise on a bill which practically suspends the coinage of silver altogether, fixes a gold value for silver upon which money is to be issued, and declares in words which can not be misunderstood that the Secretary of the Treasury shall institute such regulations as he may prescribe to redeem the notes in gold instead of silver. He may fall back upon the resumption act for that purpose, changing the whole system of bimetallism that we have advocated heretofore, and making silver simply a commodity whose value shall be measured by gold, a commodity on which money may be issued at its gold value and only in that way.

Mr. HOOKER. Will the gentleman permit a question for information?

Mr. BLAND. Certainly.

Mr. HOOKER. Was not the preservation in circulation of the $346,000,000 of greenbacks the act of a Democratic Congress at a time when the Secretary of the Treasury construed the law to require him to destroy the whole of them as they came into the Treasury?

Mr. BLAND. Under the resumption act the Secretary had no authority to destroy them after they reached $300,000,000. When the bank notes were issued, a like amount of greenbacks was retired until the limit of $300,000,000 was reached, after which there was no further destruction. When the amount reached $346,000,000 Congress stepped in and fixed that as the amount which should be kept in circulation at all times.

Mr. PAYSON. The gentleman does not intend the House to understand that that was regarded as a party measure?

Mr. BLAND. I do not know whether it was a party measure or not. I think the House and Senate that passed it were Democratic, but I believe it received Republican votes.

Mr. PAYSON. Does not the gentleman know that the bill which made that provision was introduced by my predecessor from the Ninth district of Illinois, Colonel Greenbury L. Fort? I assert that to be the fact, and the RECORD will show it.

Mr. BLAND. There were various bills introduced. I remember the gentleman's predecessor—a man for whom I had the highest respect; we always agreed on the currency question; and I am sorry my friend from Illinois [Mr. PAYSON] does not agree with me now. Mr. Fort may have introduced that bill——

Mr. PAYSON. He did.

Mr. BLAND. And that bill as introduced by him may have become a law. I do not remember how the fact was——

Mr. PAYSON. It passed under his charge.

Mr. BLAND. Nor do I care; but the circumstances to which the gentleman refers shows the difference between a Democratic Congress and a Republicon Congress. When the Democrats in that Congress were in the majority in the House and in the Senate they permitted your party to participate in legislation; they recognized your right to introduce bills; and when they approved such bills they voted for them; and there were no party caucuses upon questions of this kind. And, Mr. Speaker, since I have been a member of this House, for the last eighteen years, I have never seen any Congress in which great public measures of this sort, on which there is no necessity for party issues—in which all questions relating to the public business were relegated to a party caucus, in which party caucuses met to formulate bills and the Committee on Rules fixed the time and limit for debate and amendment and conference committees ruled off members of opposite political views in determining upon bills, all legislation being framed to meet the approbation of the Republican party, and the determination appearing to be that the Democrats should have nothing whatever to do with it. This is the first time in the history of Congress since I have been here that such proceedings have been resorted to.

The Democratic party always recognized the right of Republicans to meet with them in committees—conference committees and other committees—and to use whatever arguments or influence or votes they had in shaping legislation. They have never undertaken to deny to their political opponents the right of amendment and the right of consideration; they have never sought to put everything into the hands of a party caucus, to strip the Representatives of the people on one side of the House of all power save that of protesting against the infamous measures presented to them.

Mr. Speaker, I have said about what I intended to say in regard to this bill. I have given in as succinct a manner as possible my objections to it. Gentlemen claim it will put more money in circulation. Under the present law we coin $24,000,000 worth of bullion per annum, equal to about thirty-two million silver dollars. If the Secretary would execute the present law by coining four millions worth of bullion monthly, it would be better than this bill. This bill at the present price of silver will probably put into circulation fifty-six or fifty-seven million dollars. That is a slight increase, it is true, but it is an increase brought about by a concession to the gold standard and an abandonment of silver as money—a concession, so far as this Congress is concerned, that you will make no further fight in the interests of silver, and will not stand up for a better bill than this.

Now, as I have before said, under the present law the seigniorage is utilized in the currency. But under this bill the seigniorage—that is, the difference between the cost of the bullion and its coin value—amounting to about $12,000,000 every year, will be locked up in the Treasury as idle money. What is that done for? That amount of circulation under this bill is denied to the people in the interest of the gold standard, in order to preserve the standard, in order to prevent silver from having fair play.

In two years you will have $24,000,000 locked up; in three years $36,000,000, and so on. In a short time, under such a bill as this, you will have $100,000,000 locked up in the Treasury of the United States as idle money for the purpose of maintaining the gold standard, and for the purpose of maintaining the circulation of silver, not at its legal ratio, but at the gold ratio as fixed in this bill. Here, I say, is a denial of currency to the people of this county which ought not to be consented to.

Mr. CONGER. Will the gentleman allow me a question?

Mr. BLAND. Certainly.

Mr. CONGER. I would like the gentleman to state whether he thinks it would be better to have this seigniorage go directly and at once to a lot of wealthy bullion or bonanza mine owners, or have it locked up in the Treasury?

Mr. BLAND. Well, Mr. Speaker, the gentleman can harp on that all he chooses; I care nothing about it. I am here in the interest of the great mass of the American people who want money; and when you say that $12,000,000 annually shall be placed in the Treasury to lie there idle, simply for the purpose of preventing the bullion holders from getting it, I ask who, in God's name, will get it? You deny it to the people; you make no profit out of it; it is dead capital; and by such a policy you are simply "cutting off your nose to spite your face." The bullion holder has nothing to do with it; he has got his pay. Why not put it into circulation?

Mr. CONGER. Then the gentleman concedes there will be no demand for the coined dollar.

Mr. BLAND. Why, sir, what a travesty on the ideas embraced in this bill. Who is going to demand a silver dollar under this bill? Nobody. The dollar will be demanded in gold. The right is given to every holder of a note to demand it in gold; and as I said before the very moment you refuse a gold dollar when demanded, then, according to Mr. Windom, Mr. SHERMAN, and all the gold-favoring Secretaries of the Treasury that this country has had, you are upon a silver basis. There is no use in trying to escape that argument; there is no use in trying to deceive yourselves or the country. You know that under this bill not a note will be redeemed in a silver dollar. Mr. SHERMAN has declared, as Secretary of the Treasury and on the floor of the Senate—every Secretary of the Treasury has so declared from the time we began to coin silver—that whenever the holder of a note presented it at the Treasury Department demanding gold, and that gold is denied to him, you are then on a silver basis, and your paper is depreciated below the gold standard. And that is the object. To talk to me about coining silver or paying out silver under this bill is simply adding insult to injury.

Mr. TAYLOR, of Illinois. I would like to ask the gentleman a question.

Mr. BLAND. Very well.

Mr. TAYLOR, of Illinois. Is it not in the power of this body at any time to give away the twelve millions to which you refer, or a hundred millions that you are asking to give away?

Mr. BLAND. It is if you do not resort to party caucuses to prevent it. It is in your power now if you vote with me against the adoption of this conference report and to make proper disposition of that money which this bill proposes to leave in the Treasury; and I dare you to do it. Now is your time. Do not skulk behind future possibilities. If you believe it ought to be done, then you are much less of a man than I take you to be if you are not willing to come to the front and take a bold stand upon it.

Mr. TAYLOR, of Illinois. But I am in favor of keeping the people's money and not giving it away for nothing.

Mr. BLAND. Oh, no; I guess you are not willing to go with me on this question. You are in with the gold-bugs. [Laughter.] Let the money be issued to pay public debts.

Now, Mr. Speaker, if this was purely a greenback bill and did not profess to be anything else, I should not object to voting for it. I do object to its sailing under false colors. And if you take all of the silver out of it and do not make it discretionary with the Secretary of the Treasury to buy so much bullion or issue so much money, and make it mandatory and compulsory that he shall issue four and a half millions of greenbacks per month, not based on silver bullion but on the wealth of the United States, and have no twang in it, no gold standard, and no uncertain conditions, I will vote for it. But when you claim this is a silver bill, where silver is slaughtered in the interest of the gold standard, when you give power to the Secretary of the Treasury to limit the amount of his purchases, or the amount of money that shall go out under it in the shape of circulating notes I denounce it as a fraud. It is neither a good greenback bill nor a silver bill. It is simply a political exigency bill, concocted here to tide over a party difficulty. So far as I am concerned, Mr. Speaker, I am not bound by the terms of this bill. I denounce it as a fraud, and as long as I am a member of Congress I will on the floor of this House denounce it, and I intend to denounce it and show its falsity and will continue to advocate free coinage, the high principle of which in the interest of the people of this country I will never surrender for one minute. [Applause on the Democratic side.]

I know gentlemen may say that free coinage will come in the next Congress. I know they may say that this will be a great question at the coming elections, and that the people will pass upon it. That is true; but when the bill of 1878 passed, it passed the House a purely free-coinage bill, and went to the Senate, where it was amended so as to provide for the purchase of the two millions' worth and not exceeding four millions of silver bullion every month. It was returned to us in the shape of a compromise measure; and what was the position of every free-coinage advocate on the floor of the House at that time? What was the position in which they were placed? They said we will take this bill as the very best we can do now.

We were told that the President would veto the bill. I fell into line and got into the trap set for us, and I am sorry, for I have had some experience since then. But it was said, and we believed it, that it could not pass the Senate in any other shape than as they returned it to us.

Now, the Senate come and say this bill can not pass the House in any other shape. I say that I fell into that trap once; I fell into it in 1878, and the bill became a law over the veto of the President. But every free-coinage man in the House at that time was confident that the next President of the United States would sign a free-coinage bill. That was our hope and our honest belief. That bill passed the House by a vote of three-fourths of its members, and it passed the Senate by a vote of two-thirds of that body. There was excitement in the country that amounted almost to a revolution, demanding the free coinage of silver; and no one supposed but that free coinage was in sight, and all that was necessary was an appeal to the people. And yet, Mr. Speaker, notwithstanding the pressure exerted by the popular mind on Congress at that time, and upon the President, there has never been a day from that time to the present when this House would pass a free-coinage bill.

But I allude to this only to commend that piece of history to gentlemen who are willing to compromise on the present measure. I commend it to gentlemen who are willing to stifle their free will in this matter and adopt a measure which will check and retard the very interest they have at heart. I commend it to gentlemen who are willing to accept this compromise so eagerly and unnecessarily, let me say, in the hope that when the next Congress meets it will be a free-coinage Congress. I simply refer them to the history of the House on this subject before to show that there is no certainty in such things. If you have not a satisfactory bill, now is the time to vote against it. You have had but one conference on this subject, and if you vote down this report you can have another, and have the bill amended and these objectionable features to the silver men stricken out. It ought to be done, and it is what I propose to undertake to do, so far as I am able. [Applause on the Democratic side.]

BLAND